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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 009151

SIPDIS

E.O. 12958: DECL: 11/15/2014

TAGS: PREL MASS EAID EFIN IZ JO SUBJECT: PENDING JORDANIAN REQUESTS FOR ASSISTANCE

REF: A. AMMAN 9150 (EXDIS)

\_\_\_B. AMMAN 5467 (EXDIS) ¶C. USDAO AMMAN JO 5645

1D. AMMAN 8107 **1**E. TOKYO 6379 ¶F. AMMAN 7403

Classified By: A/DCM Christopher Henzel, reasons 1.4 (b and D)

( U ) With King Abdullah likely to visit Washington on or about December 6, we provide below post,s understanding of the state of play of a number of Jordanian assistance requests, some of which have been on the table for more than a year. Ref A was post,s scene-setter for this visit.

Requests for U.S. assistance: Military 

- ( C ) FMF levels: In recent conversations with Charge and visiting congressional delegations, King Abdullah has argued that Jordan, while appreciative of the FMF plus-ups provided in recent years, needs a commitment from the administration and Congress for sustained, higher levels of military aid over a five-year period. Jordan,s &normal8 FMF levels over the past ten years have increased from \$9 million in 1994 to \$204 million in 2004. In 2003 Jordan received additional FMF of \$406 million on top of a baseline FMF funding of nearly \$200 million.
- ( C ) FMF &supplemental8: Over the past 12 months, Jordan has made requests for \$400 million to cover military priorities that include border security, communications, and transportation. The GOJ has linked this request to Jordan,s support for the global war on terrorism and for the effort in Iraq.
- ( C ) KASOTC: The King Abdullah Special Operations Training Center is a project the King (formerly chief of Jordan,s special forces) hopes to fund out of a mixture of at \$100 million. Jordan has budgetted funding for the project at \$10 million annually from Jordan,s &normal8 FMF in each of the four fiscal years 2003 ) 2006. The GOJ hopes to obtain out of a supplemental the remaining \$60 million needed for completion.
- ( C ) Coalition Support Funds (CSF): CSF is a fund appropriated to the Pentagon to help cover the costs incurred by allies supporting Operation Iraqi Freedom. These are not/not FMF funds. Jordan has to date received over \$93 million in CSF reimbursements in support of U.S. military operations in Afghanistan and Iraq. Jordan has claimed an additional \$114 million. Post recommended in July 2004 (refs B and C) that the USG agree to pay, out of CSF, nearly \$13 million of these remaining claims. Post recommended that about \$10 million in claims be disallowed. Post recommended that \$91 million of Jordan,s other requests for CSF reimbursement be addressed with sustained levels of new FMF, since the claims represent ongoing, increased border security costs.

Request for U.S. assistance: Economic xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

 $\underline{\P}6.$  ( C ) Jordan has received ESF over the past four years at anormal8 levels of about \$250 million annually. In FY 2003 and FY 2004, Jordan received in addition \$700 million. Jordan has made a formal request for increased direct ESF of \$300 million for FY 2005.

17. (C) In ref D, post explained Jordan,s September, 2004 proposal to support Iraqi reconstruction by funding, partly out of IRRF funds, 1) improved border crossing facilities at the Jordanian/Iraqi frontier, 2) improved highways between the frontier and Aqaba, and 3) improved port facilities at Aqaba (which we estimate is handling about 40 percent of all goods entering Iraq.) Jordanian planning minister Awadhallah and Iraqi planning minister Hafedh raised the proposal with Deputy Secretary Armitage October 13 in Tokyo. The Deputy Secretary indicated that the United States would not be able

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to use already-approved Iraq supplemental funds to pay for such projects on the Jordanian side of the border (ref E.) If King Abdullah pursues this idea further, he is likely to focus on the border crossing facility portion of the proposal, since it would be located on both Iraqi and Jordanian territory.

- 18. (C) Jordan has proposed (ref F and previous) that the Paris Club grant it permission to raise, from 30 percent to 50 percent, the ceiling on the portion of Jordanian official debt with which the GOJ may carry out debt swaps. In addition, Jordan seeks debt forgiveness in the Paris Club with the proviso that Jordan would, in turn, forgive a corresponding amount of the official Iraqi debt it holds. The USG has replied that it cannot support this second proposal, in part because it would set off requests for similar treatment from Iraq,s other creditors.
- 19. ( U ) Baghdad minimize considered. HALE